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S E C R E T SECTION 01 OF 03 DHAKA 000121

SIPDIS

FOR A/S BOUCHER FROM THE AMBASSADOR

E.O. 12958: DECL: 02/01/2019 TAGS: <u>PGOV PTER PREL KGOV BG</u>

SUBJECT: BANGLADESH SCENESETTER FOR A/S BOUCHER

REF: A. DHAKA 99

¶B. DHAKA 65

1C. SECSTATE 7986

¶D. DHAKA 70

¶E. DHAKA 107

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

SUMMARY

11. (SBU) USG activities in Bangladesh are based on three pillars: democratization, development and denial of space to terrorists. The new government led by Prime Minister Sheikh Hasina swept to power in Parliamentary elections on December 29 and is beginning to flesh out its policies on issues of great importance to the USG. So far her government has been saying all the right things concerning denial of space to terrorists, although it has yet to enact important anti-terrorism ordinances. The new government also has been hitting many of the right notes on development by identifying energy and education as top priorities. The administration's early performance on democracy has been disappointing, however, as it apprently inches back towards the winner-take-all politics and centralized governance that has crippled Bangladesh throughout its history. In your meetings with Bangladeshi leaders you will be able to emphasize USG eagerness to work with the new government on a whole range of issues and to encourage democratic reform.

DEMOCRACY

- 12. (U) Sheikh Hasna's Awami League won a landslide victory (230 out of a possible 300 seats) in Parliamentary elections December 29 after two years of rule by an appointed Caretaker Government. During its tenure, the Caretaker Government cracked down on endemic political corruption and violence, and at one point imprisoned on graft allegations both Hasina and her main political rival, Bangladesh Nationalist Party (BNP) Chairperson Khaleda Zia. The government released both to participate in the elections, which won wide acclaim for being the cleanest and most peaceful in Bangladesh's 38-year history.
- 13. (SBU) Prime Minister Hasina appointed a Cabinet notable for the absence of most of the party's Old Guard, including many politicians tainted by allegations of graft and violence, in favor of Ministers fiercely loyal to her. The huge landslide win will test her promise to break from the country's past "winner-take-all" politics and centralized governance and to allow the opposition a meaningful voice in government. So far, signs of meaningful change are few.
- $\P4$. (C) While the Awami League promised to fill the post of

deputy speaker of Parliament with a BNP lawmaker, the offer lost its luster when the Awami League made clear the opposition would only get a newly created, second deputy speaker position. The Awami League also has insisted the BNP accept just four front-row seats in Parliament, far fewer than opposition parties' allotments in the past. The BNP protested by walking out of Parliament on the second day of the session, January 29. (Note: The boycott continued as of Monday, February 2. End note.) Meanwhile, election observers accused Awami League supporters -- including a newly appointed Cabinet minister -- of widepread fraud, intimidation and violence in upazilla (county) elections held January 22. Although the upazilla elections were intended to improve political accountability through decentralizing government to some degree, Awami League lawmakers appear likely to vote themselves an advisory role over the local bodies (Reftel A).

15. (C) Hasina's Awami League also seems bent on taking on the country's main Islamist party, Jamaat-e-Islami. The Awami League has threatened to try Jamaat leaders as war criminals for their activities in support of Pakistan during the 1971 war of independence. One of the first actions of the new Parliament was to adopt a resolution calling on the Government to move quickly to put alleged war criminals on trial.

DENIAL OF SPACE TO TERRORISTS

16. (C) Bangladesh is a nation with porous borders -- air, DHAKA 00000121 002 OF 003

land and maritime $\--$ that make it an attractive transit point and safe-haven for terrorists. India in particular argues that international Islamic terrorists use Bangladesh as a safe haven and often cross into India for bombing and other attacks. New Delhi also says Dhaka should do more to uproot Indian domestic extremist groups, including the United Liberation Front of Assam, that India claims use Bangladesh as a safe haven. Sheikh Hasina has made clear that fighting extremists and improving regional counterterrorism cooperation is a top priority for her administration. She has proposed creating a South Asia security task force; Embassy Dhaka wants to support those efforts, in part by funding regional security dialogues organized by prominent local think tanks. The Awami League's historically friendly ties with India also should boost regional cooperation, and India's Minister for External Affairs still plans a short visit to Dhaka on February 9 despite his increased domestic responsibilities due to the Indian Prime Minister's heart surgery.

- 17. (C) An early indicator of the Hasina administration's commitment to counterterrorism will be its decision on whether to enact two Caretaker Government ordinances -- one on fighting money laundering and the other on countering terrorism (Reftel E). Senior Awami League officials have sent contradictory signals on the fate of these and the rest of the 122 ordinances passed by the Caretaker Government. Embassy officers from the Ambassador on down have stressed the importance of enacting the two ordinances, which represent a marked improvement of Bangladesh's counterterrorism legal framework and are necessary to strengthen Bangladesh's role in international efforts to combat terrorism.
- 18. (S/NF) To counter the transnational terrorist threat, Embassy Dhaka has recommended USG support for the creation of a Bangladesh Navy Special Operations Force, similar to US SEAL and Special Boat units. The Government of Bangladesh intends this unit to be a counterterrorism force that will address critical gaps in Bangladesh's maritime security capability. Transnational violent extremist organizations (such as Interagency Intelligence Committee on Terrorism

- (IICT) priority one Lashkar-e-Tayyiba and IICT priority three Hizbul Mujhadin), transnational crime, drugs and human trafficking are currently exploiting these gaps to facilitate operations throughout South Asia. USG support for the creation of this new force is critical to denying space to terrorists. Additionally, Lashkar-e-Tayyiba is actively developing a maritime capability in order to infiltrate India; Bangladesh is a particularly attractive maritime launching point for such infiltration efforts.
- ¶9. (SBU) The USG already funds many other programs in Bangladesh to counter terrorism, including a wide range of training under the Anti-Terrorist Assistance program coordinated by the State Department. USAID and Public Affairs Section programs address root causes of extremism through outreach to leaders of influence (including religious figures) and to madrassas. Two initial Cricket Diplomacy events to promote better relations between police and the communities they serve have been smashing successes (Reftel B). The Embassy plans to soon begin a multiyear community policing program to further deny space to terrorists.
- 110. (C) The USG also has started human rights training for the Rapid Action Battalion (RAB), whose history of alleged human rights violations prevented earlier engagement. The number of people reportedly killed in gun battles with RAB has decreased significantly since mid-2007, and the initial U.S. training is designed to further improve RAB's human rights record. During your visit, a Department of Defense legal team and senior members of the U.S. International Criminal Investigative Training Assistance Program will be in Dhaka finalizing the training schedule. The Awami League government has expressed strong support for the program. However, a recent decision by the State Department's Bureau of Democracy, Human Rights and Labor to deny training to most senior RAB officials could undermine the effectiveness of the program (Reftel C).

DEVELOPMENT

111. (U) Your visit will come shortly after our "America Week" program, a public outreach event to promote bilateral relations in Barisal Division. Barisal and Khulna Divisions bore the brunt of Cyclone Sidr in November 2007. The cyclone killed thousands of people, destroyed the homes and

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livelihoods of millions, and left \$2.3 billion of damage to infrastructure. As part of an interagency effort, the U.S. military played a crucial role in relief efforts by airlifting vitally needed water, food and emergency supplies to Bangladeshis in remote areas. The \$6.5 million budgeted by the Department of Defense for building cyclone shelters and schools in the affected areas thus is most welcome. This effort will dovetail nicely with plans for spending some \$75 million in USAID funding appropriated by Congress for post-Sidr relief.

112. (SBU) On top of natural disasters, inflation -particularly of food prices -- remains dangerously high for
Bangladeshis, 86 percent of whom subsist on less than \$2 a
day. (Note: The Awami League promised in its campaign to make
fighting inflation its top priority. Prices for basic
commodities such as rice skyrocketed during the Caretaker
Government, though they have decreased somewhat in part
because of the global economic downturn. End note.) Our
assistance levels remain high -- some \$150 million last year.
More important, economic growth, fueled by ready-made garment
exports, has surpassed 6% annually over the past six years.
The new government has identified power generation and
education as two top priority development areas, which if
successfully pursued should help lay the fondation for
healthy, longterm economic growth. During a courtesy call by
the Ambassador, Foreign Affairs Minister Dipu Moni urged the

U.S. Congress to pass the New Partnership for Development Act, which would make Bangladeshi apparel duty-free to the U.S., and expressed keen interest to access Millenium Challenge funds (Reftel D).

YOUR VISIT

113. (C) Thank you for making the effort to come to Bangladesh. The visit will highlight the importance the USG places on working constructively with Bangladesh on a wide range of issues. You will be meeting officials of a new government who are grappling with hugely important issues such as how to improve regional counterterrorism cooperation, how to strengthen Bangladesh's own counterterrorism capabilities, and how to lay the foundation for extended economic growth. Your visit will provide a unique opportunity to encourage the new government in this work and to stress the importance of good governance, cooperation with the opposition, and enactment of the counterterrorism ordinances passed by the Caretaker Government. The Government of Bangladesh will be eager to hear your assurances that the USG will continue a wide range of assistance.